

Medical Assistance Services

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2005 Total App	FY 2005 Actual	FY 2006 Approp	FY 2007 Request	FY 2007 Gov Rec
BY PROGRAM					
Medicaid Admin & Medical Mgmt	1,117,380,500	1,110,116,100	1,188,692,500	69,731,700	69,998,900
Elders	0	0	0	214,732,800	210,302,800
Individuals with Disabilities	0	0	0	557,207,900	557,207,400
Low-Income Children & Adults	0	0	0	459,060,400	456,556,500
Total:	1,117,380,500	1,110,116,100	1,188,692,500	1,300,732,800	1,294,065,600
BY FUND CATEGORY					
General	303,679,400	300,128,900	331,274,200	377,641,000	374,409,500
Dedicated	77,162,700	84,516,700	77,978,600	78,930,600	82,274,400
Federal	736,538,400	725,470,500	779,439,700	844,161,200	837,381,700
Total:	1,117,380,500	1,110,116,100	1,188,692,500	1,300,732,800	1,294,065,600
Percent Change:		(0.7%)	7.1%	9.4%	8.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	15,485,200	15,046,700	16,936,300	17,826,500	17,694,800
Operating Expenditures	20,641,400	22,983,800	18,486,600	47,045,900	49,276,300
Capital Outlay	0	136,700	0	63,600	78,200
Trustee/Benefit	1,081,253,900	1,071,948,900	1,153,269,600	1,235,796,800	1,227,016,300
Total:	1,117,380,500	1,110,116,100	1,188,692,500	1,300,732,800	1,294,065,600
Full-Time Positions (FTP)	260.00	259.00	271.00	279.50	284.50

Division Description

The Division of Medical Assistance has responsibilities that include administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability, pursuant to state and federal Medicaid requirements. Additional responsibilities involve licensing and certification of health facilities to meet state and federal requirements and to participate in Medicaid and Medicare.

MEDICAID ADMINISTRATION & MEDICAL MANAGEMENT: Comprises all the expenditures to administer a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and CHIP (Title XXI). Administrative functions include managing provider payments, contracts with state agencies and universities for medical management, drug utilization reviews, individual assessments, and licensing and inspecting health facilities such as nursing homes, hospitals, and residential and assisted living facilities. Prior to FY 2007, all Medicaid expenditures were reported under the Medical Assistance Services Program. The program has been renamed Medicaid Administration & Medical Management.

State Plan for ELDERS: Beneficiaries covered in this plan primarily consist of those who are age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.

State Plan for INDIVIDUALS WITH DISABILITIES: Medicaid eligible group primarily made up of children and adults (non-elderly) with disabilities or other individuals with special health needs, such as foster children. Individuals included in this plan may elect to remain in this plan after they turn 65 years old.

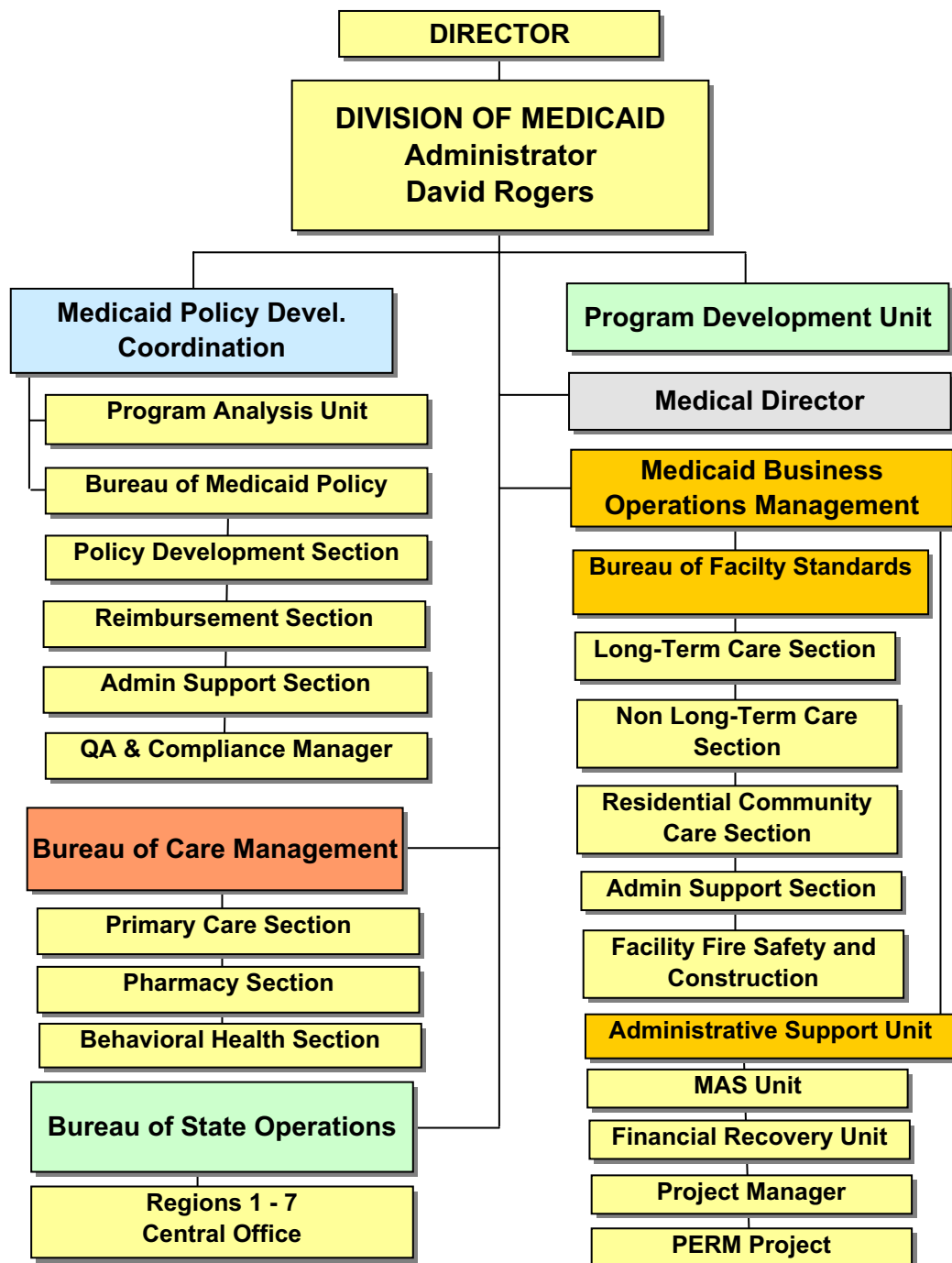
State Plan for LOW-INCOME CHILDREN AND WORKING-AGE ADULTS: Medicaid eligible group primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of health and disease.

Medical Assistance Services

Division Profile

Analyst: Holland-Smith

Organizational Chart



Medical Assistance Services

Division Profile

Analyst: Holland-Smith

Key Services Provided

	FY 2002	FY 2003	FY 2004	FY 2005
Total Medicaid Expenditures	\$805,060,200	\$899,153,800	\$1,005,855,200	\$1,110,116,100
Total Provider Payments	\$776,589,600	\$869,558,800	\$969,307,200	\$1,071,948,900
% Spent as payments to providers	96.46%	96.71%	96.37%	96.56%
Total average Medicaid enrollees per month (as reported in H&W's Facts, Figures, & Trends)	141,954	152,679	162,585	170,512
Total average Medicaid enrollees per month (adjusted to include retroactive enrollees)	147,698	158,600	169,395	179,151
Ave. low-income children	97,836	105,872	113,013	120,108
Avg. monthly eligible low income adults	16,342	17,511	19,365	20,355
Ave. monthly eligible special needs children	5,483	5,869	9,284	6,793
Ave. monthly eligible special needs adults	16,151	17,284	18,401	19,082
Ave. monthly eligible elders 65+	11,886	12,064	12,332	12,813

Medicaid Annual Average Participant by Category

	FY 2004	FY 2005	FY 2006	FY 2007
ELDERLY AND DISABLED	Actual	Actual	Forecast	Forecast
Aged Receives *Cash	2,028	2,038	2,083	2,121
Children Receives Cash	825	922	974	1,007
Adults Receives Cash	8,619	9,128	9,552	9,981
Katie Beckett - **No Cash	1,304	1,430	1,546	1,660
Nursing Home Children NC	63	64	72	84
Nursing Home Adults NC	3,625	3,521	3,456	3,579
Other Children No Cash	3,220	3,449	3,712	3,889
Other Adults No Cash	16,224	17,205	17,959	18,905
FAMILY RELATED				
TAFI Children Cash Assist.	1,902	1,806	1,671	1,753
TAFI Adults Cash Assist.	612	519	463	485
Medicaid Only Children	22,711	24,204	24,168	24,658
Medicaid Only Adults	12,649	13,674	13,580	13,849
***PWC Children	70,493	72,459	71,258	72,545
PWC Adults	7,074	7,319	6,813	6,942
CHIP A	11,236	11,176	10,977	11,448
CHIP B	0	1,599	2,194	2,462
TOTAL	162,585	170,513	170,478	175,368

* Cash = Recipient is also receiving cash assistance from programs other than Medicaid.

** NC = No Cash benefits in addition to Medicaid. All Medicaid payments go directly to providers.

*** PWC = Pregnant Women with Children

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2006 Original Appropriation	271.00	331,274,200	1,188,692,500	271.00	331,274,200	1,188,692,500
Reappropriations	0.00	3,465,400	3,465,400	0.00	0	3,465,400
HB 395	0.00	49,800	140,500	0.00	49,800	140,500
2. Medicare Part D Impact	0.00	2,068,000	(21,447,800)	0.00	2,068,000	(21,447,800)
5. Medicaid Mgmt Info System (MMIS)	8.00	756,400	7,397,500	8.00	756,400	7,397,500
Omnibus CEC Supplemental	0.00	0	0	0.00	59,300	169,100
FY 2006 Total Appropriation	279.00	337,613,800	1,178,248,100	279.00	334,207,700	1,178,417,200
Funds to Match Reappropriations	0.00	0	8,390,900	0.00	0	8,390,900
Non-Cognizable Funds and Transfers	0.00	0	13,502,800	0.00	0	13,502,800
Reappropriations Object Transfer	0.00	0	0	0.00	0	0
Expenditure Object Transfer	0.00	0	0	0.00	0	0
Reappropriations Transfer between Pgrms	0.00	91,900	91,900	0.00	0	91,900
Transfer to Self-Reliance Program	(1.00)	(19,700)	(37,200)	(1.00)	(19,700)	(37,200)
FY 2006 Estimated Expenditures	278.00	337,686,000	1,200,196,500	278.00	334,188,000	1,200,365,600
Transfer to Low-Income Children & Adults	0.00	(115,503,200)	(408,831,900)	0.00	(114,275,300)	(408,831,900)
Transfer to Individuals with Disabilities	0.00	(146,708,200)	(519,714,800)	0.00	(145,126,600)	(519,714,800)
Transfer to Elderly Program	0.00	(61,568,000)	(218,126,000)	0.00	(60,912,100)	(218,126,000)
Removal of One-Time Expenditures	(8.00)	(1,033,100)	(15,625,400)	(8.00)	(941,200)	(15,625,400)
FY 2007 Base	270.00	12,873,500	37,898,400	270.00	12,932,800	38,067,500
Benefit Costs	0.00	40,800	116,600	0.00	23,700	67,600
Insurance Premium Rebate	0.00	0	0	0.00	(76,400)	(218,200)
General Inflation	0.00	144,600	414,000	0.00	144,600	414,000
Replacement Vehicles	0.00	25,200	45,700	0.00	0	34,300
Computer Replacement	0.00	5,000	10,100	0.00	0	10,100
Statewide Cost Allocation	0.00	(700)	(2,800)	0.00	(700)	(2,800)
Annualization - MMIS	8.00	2,173,000	21,730,400	8.00	0	21,730,400
CEC Permanent Positions	0.00	49,400	141,000	0.00	91,100	260,100
CEC Group Positions	0.00	1,900	5,400	0.00	3,500	10,000
Ongoing Non-Cog Adjustments	0.00	0	6,596,300	0.00	0	4,178,400
FY 2007 Program Maintenance	278.00	15,312,700	66,955,100	278.00	13,118,600	64,551,400
1. Market Pay Rate Adjustment	0.00	96,700	386,900	0.00	0	0
2. Healthy Mothers/Healthy Babies	0.00	66,700	2,510,400	0.00	0	0
5. Neonatal Care Management	1.00	(71,800)	(237,600)	0.00	0	0
7. Managed Care Selective Contracting	0.50	58,500	116,900	0.50	57,200	116,900
8. Prevention Services/Risk Assessment	0.00	0	0	1.00	19,900	426,700
9. Invest in Health Info Technology	0.00	0	0	0.00	100,000	400,000
10. Health Info & Home Health Technology	0.00	0	0	0.00	0	70,000
11. Medicaid Rx Drugs/Medicare Part D	0.00	0	0	0.00	1,208,700	3,950,000
12. Long-Term Care Counseling	0.00	0	0	3.00	103,600	222,800
13. Portability of Assessments	0.00	0	0	0.00	0	70,500
14. Public Reporting Consumer Info	0.00	0	0	0.00	0	70,000
15. Cost Sharing	0.00	0	0	2.00	55,100	120,600
FY 2007 Total	279.50	15,462,800	69,731,700	284.50	14,663,100	69,998,900
Change from Original Appropriation	8.50	(315,811,400)	(1,118,960,800)	13.50	(316,611,100)	(1,118,693,600)
% Change from Original Appropriation		(95.3%)	(94.1%)		(95.6%)	(94.1%)

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	271.00	331,274,200	77,978,600	779,439,700	1,188,692,500

Reappropriations

Reappropriation authority -- also known as carry over -- allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carry over requires specific legislative authorization and must be approved every year. \$522,600 is reappropriated in personnel costs and \$2,942,800 in trustee/benefit payments.

Agency Request	0.00	3,465,400	0	0	3,465,400
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The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.

Governor's Recommendation	0.00	0	3,465,400	0	3,465,400
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HB 395

Reflects a one-time 1% Change in Employee Compensation (CEC) increase.

Agency Request	0.00	49,800	700	90,000	140,500
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Governor's Recommendation	0.00	49,800	700	90,000	140,500
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2. Medicare Part D Impact

The department is requesting funding for the Division of Medicaid and the Division of Welfare to implement the Medicare Prescription Drug program which begins on January 1, 2006. As of that date, Idaho will no longer pay for most of the prescription drug costs for approximately 17,000 persons enrolled both in Medicaid and Medicare. The department is directly responsible for case management and assisting the "dual eligibles" as their prescription benefits shift to Medicare. There are also 6,000 enrollees in the Medicaid Savings Account program who are also the department's responsibility. The department is requesting funding to update the information system and additional General Funds for trustee/benefit payments for newly eligible seniors.

MMIS SYSTEM MODIFICATIONS: \$550,000 of one-time funding (\$135,000 General Funds, \$415,000 federal funds) is requested to modify the existing system to:

- 1) reprogram the Medicaid Medical Information System to meet federal requirements - Oct 2005
- 2) correctly transfer pass information to and from the Centers for Medicare and Medicaid - Oct 2005
- 3) correctly identify those dual eligible clients who are eligible for Medicare drug benefits - Jan 2006
- 4) deny pharmacy claims for those dual eligibles whose drug claims should be paid by Medicare - Jan 2006
- 5) approve drugs excluded from the Medicare drug benefit but still allowed under Idaho Medicaid - Jan 2006

CHANGES IN BENEFIT FUNDING:

- 1) Savings due to transferring responsibility to Medicare for prescription drug benefit for seniors
(\$12,116,300) General Funds + (\$28,177,700) federal funds = (\$40,294,000)
- 2) Additional costs due to 7,000 new eligibles identified during sign up of Medicare drug benefits
\$2,394,700 General Funds + \$5,579,700 federal funds = \$7,974,400
- 3) Additional costs due to clawback where the federal gov't requires states to pay 90% of costs
\$10,321,800 General Funds
- 4) Additional costs due to loss of prescription drug rebates/fewer purchases
\$1,332,800 General Funds + \$3,099,500 federal funds - \$4,432,300 dedicated = \$0

Agency Request	0.00	2,068,000	(4,432,300)	(19,083,500)	(21,447,800)
Governor's Recommendation	0.00	2,068,000	(4,432,300)	(19,083,500)	(21,447,800)

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit

	FTP	General	Dedicated	Federal	Total
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5. Medicaid Mgmt Info System (MMIS)

The department is requesting funds to reprocore the Medicaid Management Information System. The federal government has approved a favorable 90% funding match. The current contract with Electronic Data Systems is set to expire in December 2007. By state law the contract cannot be extended and the department has initiated a competitive reprocorement of this contract. A request for proposal was released in May 2005, and bids renewed. A successful contractor was selected in December 2005. The MMIS is a complex system with interfaces and data exchanges with multiple systems that pays and manages all Medicaid claims. It must be tailored to conform to federal and state statutes, rules, and policies. The department has allotted 24 months for the design, development, and implementation of the new system. This request seeks funds for the first six months of the design and development stages. The balance of the funding for FY 2007 is requested in the Annualization decision unit. All of the funding and FTP are requested on a one-time basis. The request is for 8.00 FTP at a cost of \$242,300 with a hire date of January 1, 2006: project coordinator, 2 automated systems specialists, 1 IT systems analyst, 1 administrative assistant, 1 IT quality assurance analyst, 1 IT systems integrations analyst, and 1 IT customer service consultant. Operating expenditures include \$1,140,500 for contracted computer services, \$1,140,700 for program design, \$4,800,000 for other professional services, and \$32,400 for operating expenses of the newly hired staff. In addition, \$41,600 is requested in capital outlay for office furniture and computers for the staff.

Agency Request	8.00	756,400	0	6,641,100	7,397,500
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Governor's Recommendation	8.00	756,400	0	6,641,100	7,397,500
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Omnibus CEC Supplemental

Agency Request	0.00	0	0	0	0
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The Governor's FY 2007 recommendation is a 3% ongoing increase in employee compensation (CEC), based on merit, to commence in FY 2006 with the January 29 pay period. This will allow agencies to fund employee compensation increases for ten pay periods prior to the end of the current fiscal year. Funding for the remaining 16 pay periods is provided in the FY 2007 CEC.

Governor's Recommendation	0.00	59,300	0	109,800	169,100
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FY 2006 Total Appropriation

Agency Request	279.00	337,613,800	73,547,000	767,087,300	1,178,248,100
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Governor's Recommendation	279.00	334,207,700	77,012,400	767,197,100	1,178,417,200
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Funds to Match Reappropriations

Associated increases in spending authority due to the availability of reappropriation of General Funds. Spending authority was established in personnel costs - \$151,200; capital outlay - \$13,000; and trustee/benefits - \$8,226,700.

Agency Request	0.00	0	0	8,390,900	8,390,900
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Governor's Recommendation	0.00	0	0	8,390,900	8,390,900
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Non-Cognizable Funds and Transfers

The department reports it has an additional \$79,100 for personnel costs, \$6,674,100 for operating expenditures, and \$6,749,600 for trustee/benefit payments to spend this fiscal year. This program is authorized to spend them in accordance with legislative intent language in their FY 2006 appropriation bill to expend all receipts collected as non-cognizable funds for the period July 1, 2005, through June 30, 2006.

Agency Request	0.00	0	10,551,300	2,951,500	13,502,800
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Governor's Recommendation	0.00	0	10,551,300	2,951,500	13,502,800
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Reappropriations Object Transfer

Of the amount authorized in the reappropriations process the department is transferring \$446,000 from the General Fund in personnel costs to trustee/benefit payments.

Agency Request	0.00	0	0	0	0
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Governor's Recommendation	0.00	0	0	0	0
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Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Expenditure Object Transfer					
Transfers \$140,800 from the Idaho Health Insurance Access Card Fund in trustee/benefit payments into operating expenditures.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
Reappropriations Transfer between Prgrm					
This decision unit transfers \$15,300 into capital outlay, and \$76,600 into trustee/benefit payments from other programs. The department is reallocating the one-time funds they have the authority to spend under reappropriations amongst all of their programs.					
Agency Request	0.00	91,900	0	0	91,900
<i>The Governor's recommendation reflects the General Fund portion of the reappropriation transfer from the Cooperative Welfare Fund as dedicated funds.</i>					
Governor's Recommendation	0.00	0	91,900	0	91,900
Transfer to Self-Reliance Program					
Transfers personnel cost funding and 1.00 FTP to the Self-Reliance Program to hire navigation staff for the "Any Door Initiative."					
Agency Request	(1.00)	(19,700)	0	(17,500)	(37,200)
Governor's Recommendation	(1.00)	(19,700)	0	(17,500)	(37,200)
FY 2006 Estimated Expenditures					
Agency Request	278.00	337,686,000	84,098,300	778,412,200	1,200,196,500
Governor's Recommendation	278.00	334,188,000	87,655,600	778,522,000	1,200,365,600
Transfer to Low-Income Children & Adults					
Agency Request	0.00	(115,503,200)	(28,117,300)	(265,211,400)	(408,831,900)
<i>Transfer funding into a new program titled Low-Income Children and Working-Age Adults which represents an allocation of trustee/benefit payments. All provider payments are appropriated in trustee/benefit payments. The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.</i>					
Governor's Recommendation	0.00	(114,275,300)	(29,345,200)	(265,211,400)	(408,831,900)
Transfer to Individuals with Disabilities					
Agency Request	0.00	(146,708,200)	(36,870,600)	(336,136,000)	(519,714,800)
<i>Transfer funding into a new program titled Individuals with Disabilities which represents an allocation of trustee/benefit payments. All provider payments are appropriated in trustee/benefit payments. The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.</i>					
Governor's Recommendation	0.00	(145,126,600)	(38,452,200)	(336,136,000)	(519,714,800)
Transfer to Elderly Program					
Agency Request	0.00	(61,568,000)	(14,828,900)	(141,729,100)	(218,126,000)
<i>Transfer funding into a new program titled Elders which represents an allocation of trustee/benefit payments. All provider payments are appropriated in trustee/benefit payments. The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.</i>					
Governor's Recommendation	0.00	(60,912,100)	(15,484,800)	(141,729,100)	(218,126,000)
Removal of One-Time Expenditures					
Removes funding provided for HB395, the 27th pay period, reappropriations, and other one-time items.					
Agency Request	(8.00)	(1,033,100)	(3,993,300)	(10,599,000)	(15,625,400)
Governor's Recommendation	(8.00)	(941,200)	(4,085,200)	(10,599,000)	(15,625,400)

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2007 Base					
Agency Request	270.00	12,873,500	288,200	24,736,700	37,898,400
<i>Governor's Recommendation</i>	<i>270.00</i>	<i>12,932,800</i>	<i>288,200</i>	<i>24,846,500</i>	<i>38,067,500</i>

Benefit Costs

Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 6.1% or \$436 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees and by 5.7% from 10.73% to 11.34% of salary for police and firefighters. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.

Agency Request	0.00	40,800	0	75,800	116,600
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Removes the PERSI rate increase and changes benefit costs to reflect a 3.5% or \$250 per FTP increase in health insurance costs.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>23,700</i>	<i>0</i>	<i>43,900</i>	<i>67,600</i>
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Insurance Premium Rebate

Agency Request	0.00	0	0	0	0
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The change in health insurance providers, from Blue Shield to Blue Cross, has created a one-time opportunity to use unexpended reserves from the previous contract. This decision unit provides for a health insurance premium reduction equal to two month's premiums for both the employer and employee. Finally, a life insurance holiday is included equal to seven month's premium for the employer's share only.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(76,400)</i>	<i>0</i>	<i>(141,800)</i>	<i>(218,200)</i>
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General Inflation

Includes a general inflationary increase of 1.9% in operating expenditures and trustee/benefit payments.

Agency Request	0.00	144,600	0	269,400	414,000
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>144,600</i>	<i>0</i>	<i>269,400</i>	<i>414,000</i>
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Replacement Vehicles

Requests \$26,000 each for two sedans, and \$19,700 for a seven-passenger van.

Agency Request	0.00	25,200	0	20,500	45,700
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The Governor recommends using Economic Recovery Reserve Funds.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>18,900</i>	<i>15,400</i>	<i>34,300</i>
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Computer Replacement

Replace 18 personal computers on a three-year cycle @ \$560 each.

Agency Request	0.00	5,000	0	5,100	10,100
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The Governor recommends using Economic Recovery Reserve Funds.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>5,000</i>	<i>5,100</i>	<i>10,100</i>
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Statewide Cost Allocation

The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services and includes changes in property and casualty insurance premiums. This reduction is for State Controller fees.

Agency Request	0.00	(700)	0	(2,100)	(2,800)
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(700)</i>	<i>0</i>	<i>(2,100)</i>	<i>(2,800)</i>
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Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Annualization - MMIS					
The department has allotted 24 months for the design, development, and implementation of the new Medicaid Management Information System. This request seeks funds for FY 2007 of the design and development stages. The department requested funding for the first six months of the project in a supplemental decision unit. All of the funding and personnel are requested on a one-time basis. The request is for 8.00 FTP with a hire date of January 1, 2006: project coordinator, 2 automated systems specialists, 1 IT systems analyst, 1 administrative assistant, 1 IT quality assurance analyst, 1 IT systems integrations analyst, and 1 IT customer service consultant at a cost of \$486,600. Operating expenditures include \$3,421,900 for contracted computer services, \$3,321,900 for program design, and \$14,400,000 for other professional services.					
Agency Request	8.00	2,173,000	0	19,557,400	21,730,400
<i>The Governor recommends using a combination of Economic Recovery Reserve Funds and Medicaid receipts for the dedicated funds portion of the project instead of General Funds.</i>					
Governor's Recommendation	8.00	0	3,873,000	17,857,400	21,730,400
CEC Permanent Positions					
Calculated cost of a 1% salary increase for permanent positions.					
Agency Request	0.00	49,400	0	91,600	141,000
<i>Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.</i>					
Governor's Recommendation	0.00	91,100	0	169,000	260,100
CEC Group Positions					
Calculated cost of a 1% salary increase for group positions.					
Agency Request	0.00	1,900	0	3,500	5,400
<i>Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.</i>					
Governor's Recommendation	0.00	3,500	0	6,500	10,000
Ongoing Non-Cog Adjustments					
Requests that the additional funding that became available in FY 2006 for personnel costs of \$230,300 and operating expenditures of \$6,366,000 be built into the FY 2007 Base.					
Agency Request	0.00	0	3,801,700	2,794,600	6,596,300
<i>The Governor's recommendation reduces the amount available for non-cognizable adjustments by using the dedicated funds for the Medicaid Management Information System.</i>					
Governor's Recommendation	0.00	0	1,383,800	2,794,600	4,178,400
FY 2007 Program Maintenance					
Agency Request	278.00	15,312,700	4,089,900	47,552,500	66,955,100
Governor's Recommendation	278.00	13,118,600	5,568,900	45,863,900	64,551,400

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Market Pay Rate Adjustment

The department is requesting funding to address pay inequity issues that are leading to high turnover rates in key service delivery positions, specifically registered nurses, physicians, social workers, pharmacists, and EMS evaluators. The conditions that contribute to the high turnover create the following cycle:

- Large number of staff leave the department to do the same work for more pay, which
- Compromises the department's ability to meet minimum standards of client care, which
- Puts the department in a constant hiring and staff development mode, which
- Results in higher workloads, increased costs in recruitment and staff development, and increased stress for staff that remain, which
- To combat these situations, the department is forced to pay new hires more than current employees, which
- Causes more morale issues and leads to more turnover.

Agency Request	0.00	96,700	0	290,200	386,900
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. Healthy Mothers/Healthy Babies

The department is requesting funding for personnel, operating, and startup costs in this program to implement and administer the Medicaid family planning waiver services. The department was directed by the Governor to design and implement the family services waiver in July 2005, for planned implementation by July 2006. The waiver duration will be for five years. A sound family planning program will help ensure stronger, healthier families that are less reliant on department services. Family planning services will educate parents about the importance of spacing pregnancies to prevent poor health outcomes to mothers and their babies. Although local health district offices also provide these services, the department states that the offices are not always accessible and there may be financial barriers because the health districts charge fees. The department is requesting \$87,500 on a one-time basis to modify the Medicaid Management Information System (MMIS), and reduces trustee/benefit payments by \$20,800 for a net request of \$66,700 from the General Fund. Matching federal funds provide \$262,500 on a one-time basis to modify the information system and an increase of \$2,181,200 for trustee/benefit payments. The total fiscal impact for this request in both the Self-Reliance Operations Program and the Medical Assistance Services Program in FY 2007 is \$3,050,200.

Agency Request	0.00	66,700	0	2,443,700	2,510,400
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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5. Neonatal Care Management

A new staff position is requested to coordinate care in complex neonatal cases. The department is requesting funding to hire a registered nurse to coordinate services so that expectant mothers get prenatal care to avoid expensive neonatal care. Medicaid paid an average of \$27,313 per neonatal episode in FY 2004, with an average length of stay of 19 days, for a total cost of treatment of \$25.9 million. The department is estimating it can save \$314,300, of which \$94,300 is from the General Fund, in trustee/benefit payments. Funding in personnel costs is \$63,400, operating expenditures of \$8,100, and one-time capital outlay of \$5,200 for office and computer equipment.

Agency Request	1.00	(71,800)	0	(165,800)	(237,600)
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
7. Managed Care Selective Contracting					
This decision unit requests approval for Medicaid to selectively contract for services currently managed by department staff. By hiring a part-time employee to monitor brokered services, the department estimates it will have a net savings of \$508,100, of which \$126,200 is from the General Fund. The costs and savings are spread among the Medicaid Administration & Medical Management, Elderly, and Special Needs Programs. The department is proposing to contract for transportation services and durable medical equipment (DME). The transportation brokering would be phased in region-by-region, with likely implementation beginning in the Pocatello and Twin Falls areas. Selective contracting of durable medical equipment would occur statewide and it is estimated to save 2.5% in transportation and 28% in the cost of adult diapers. The department is requesting \$25,300 in personnel costs and .50 FTP; \$40,000 each for the two brokering contracts, and \$9,000 for staff expenses in operating expenditures; and \$2,600 for one-time capital outlay for office and computer equipment.					
Agency Request	0.50	58,500	0	58,400	116,900
Governor's Recommendation	0.50	57,200	1,300	58,400	116,900
8. Prevention Services/Risk Assessment					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides funding to administer increased preventative health services program. For the Low-income children and working adults, an emphasis will be placed on prevention and wellness. This will include reproductive health and neonatal services. In addition, Idaho will implement a pilot benefit program that will support health behaviors through the establishment of Personal Health Records and personal Health Accounts. Personal Health Accounts for these enrollees will give individuals the freedom to purchase goods and services that will facilitate active and health lifestyles. This emphasis on prevention will result in better health outcomes for beneficiaries as well as long-term cost savings.					
Governor's Recommendation	1.00	19,900	90,100	316,700	426,700
9. Invest in Health Info Technology					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides funding for the investment in health information technology. New technologies will be expanded to assist with personal health records in order to promote prevention and wellness. Electronic health records increase provider efficiencies and quality of care and technology improves chronic disease management. Additionally, new technology improves the safety of prescription drug dispensing and enhances delivery of long-term care. [Ongoing]					
Governor's Recommendation	0.00	100,000	0	300,000	400,000
10. Health Info & Home Health Technology					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides funding for implementation of Health Information and Home Health Technology. This decision unit allow Medicaid to expand the use of new technology in the provision of long-term care services. These benefits will be provided in both residential care and community-based settings to help improve health outcomes and cost avoidance. [Ongoing]					
Governor's Recommendation	0.00	0	0	70,000	70,000
11. Medicaid Rx Drugs/Medicare Part D					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides funding for the integration of Medicaid prescription drugs with Medicare - Part D. This will include capitation of Medicare-excluded prescription drugs and financing them through Medicare Advantage Drug Plans and Prescription Drug Plans for the population group eligible for both Medicare and Medicaid, or "dual eligibles." Integration will simplify the prescription drug delivery system and the coordination of benefits by creating a single source for all drug coverage for this population.					
Governor's Recommendation	0.00	1,208,700	0	2,741,300	3,950,000

Medicaid Administration & Medical Mgmt

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. Long-Term Care Counseling					
Agency Request	0.00	0	0	0	0
<i>GOVERNOR'S INITIATIVE: Provides funding for al Long-Term Care Options Counseling Program. Long-Term Care Options Counseling will promote privately financed long-term care arrangements such as reverse mortgages and commercial long-term care insurance. The department will partner with several agencies to establish resource centers in three Idaho communities. Aging Resource Centers will provide broader information on alternatives to Medicaid-financed long-term care services and serve as critical information and referral sites for end-of-life issues.</i>					
Governor's Recommendation	3.00	103,600	7,800	111,400	222,800
13. Portability of Assessments					
Agency Request	0.00	0	0	0	0
<i>GOVERNOR'S INITIATIVE: Provides funding for new portability of Long-Term Care Assessment Program. Electronic health records will be incorporated into long-term care assessments to create an integrated health information system using common language and common measures. This permits providers across the continuum of care to improve continuity of care. [Ongoing]</i>					
Governor's Recommendation	0.00	0	0	70,500	70,500
14. Public Reporting Consumer Info					
Agency Request	0.00	0	0	0	0
<i>GOVERNOR'S INITIATIVE: Provides funding for a public reporting and consumer information program. Medicaid will build on the existing "Medicare Compare" program for nursing facilities and home health agencies to include quality of care information for all Medicaid-financed long-term care, including that provided through home and community-based services.</i>					
Governor's Recommendation	0.00	0	0	70,000	70,000
15. Cost Sharing					
Agency Request	0.00	0	0	0	0
<i>GOVERNOR'S INITIATIVE: Provides funding for administrative costs to implement a new cost-sharing program. A new, realistic and enforceable cost-sharing plan will be implemented to increase the responsibility of Medicaid beneficiaries for the cost of their health care, and to encourage cost-effective care in the most appropriate setting. Cost-sharing may include establishing co-payments for certain services, such as inappropriate emergency room use, inappropriate emergency transportation, non-preferred drugs and missed appointments with health care providers. Cost-sharing will also include monthly premium payments for participants with family incomes above 133% of the federal poverty level.</i>					
Governor's Recommendation	2.00	55,100	5,200	60,300	120,600
FY 2007 Total					
Agency Request	279.50	15,462,800	4,089,900	50,179,000	69,731,700
Governor's Recommendation	284.50	14,663,100	5,673,300	49,662,500	69,998,900
Agency Request					
Change from Original App	8.50	(315,811,400)	(73,888,700)	(729,260,700)	(1,118,960,800)
% Change from Original App	3.1%	(95.3%)	(94.8%)	(93.6%)	(94.1%)
Governor's Recommendation					
Change from Original App	13.50	(316,611,100)	(72,305,300)	(729,777,200)	(1,118,693,600)
% Change from Original App	5.0%	(95.6%)	(92.7%)	(93.6%)	(94.1%)

Elders

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2006 Original Appropriation	0.00	0	0	0.00	0	0
Base Adjustments	0.00	61,568,000	218,126,000	0.00	60,912,100	218,126,000
Removal of One-Time Expenditures	0.00	(655,900)	(3,688,300)	0.00	0	(3,688,300)
FY 2007 Base	0.00	60,912,100	214,437,700	0.00	60,912,100	214,437,700
Annualization - Medicare Part D	0.00	5,159,000	(11,607,300)	0.00	5,159,000	(11,607,300)
Make Reappropriation Ongoing	0.00	693,100	2,338,500	0.00	693,100	2,338,500
Ongoing Non-Cog Adjustments	0.00	0	3,232,200	0.00	0	3,232,200
Federal Match Rate Change	0.00	(38,800)	0	0.00	(38,800)	0
Caseload Increase	0.00	983,500	3,222,900	0.00	983,500	3,222,900
Utilization Increase	0.00	1,064,000	3,608,800	0.00	1,064,000	3,608,800
FY 2007 Program Maintenance	0.00	68,772,900	215,232,800	0.00	68,772,900	215,232,800
6. Medicaid Estate Recovery	0.00	(150,000)	0	0.00	(150,000)	0
7. Managed Care Selective Contracting	0.00	(147,800)	(500,000)	0.00	(147,800)	(500,000)
11. Medicaid Rx Drugs/Medicare Part D	0.00	0	0	0.00	(1,220,700)	(4,000,000)
12. Long-Term Care Counseling	0.00	0	0	0.00	(183,100)	(600,000)
19. Pay for Performance	0.00	0	0	0.00	72,000	240,000
20. Asset Transfer Restriction	0.00	0	0	0.00	(21,000)	(70,000)
FY 2007 Total	0.00	68,475,100	214,732,800	0.00	67,122,300	210,302,800
Change from Original Appropriation	0.00	68,475,100	214,732,800	0.00	67,122,300	210,302,800
% Change from Original Appropriation						

Elders

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	0.00	0	0	0	0
Base Adjustments					
Agency Request	0.00	61,568,000	14,828,900	141,729,100	218,126,000
<i>Transfer funding into a new program titled Elderly which represents an allocation of trustee/benefit payments. All provider payments are appropriated in trustee/benefit payments. The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.</i>					
Governor's Recommendation	0.00	60,912,100	15,484,800	141,729,100	218,126,000
Removal of One-Time Expenditures					
Agency Request	0.00	(655,900)	(1,295,900)	(1,736,500)	(3,688,300)
<i>Removes funding provided for reappropriations and other one-time items.</i>					
Governor's Recommendation	0.00	0	(1,951,800)	(1,736,500)	(3,688,300)
FY 2007 Base					
Agency Request	0.00	60,912,100	13,533,000	139,992,600	214,437,700
Governor's Recommendation	0.00	60,912,100	13,533,000	139,992,600	214,437,700
Annualization - Medicare Part D					
Agency Request	0.00	5,159,000	(8,109,500)	(8,656,800)	(11,607,300)
<i>The Governor's recommendation moves the department's request for funding to implement the changes in trustee/benefits payments due to the Medicare Part D prescription drug benefit plan for dual eligible persons.</i>					
Governor's Recommendation	0.00	5,159,000	(8,109,500)	(8,656,800)	(11,607,300)
Make Reappropriation Ongoing					
Agency Request	0.00	693,100	0	1,645,400	2,338,500
<i>The Governor's recommendation reflects the department's request that the same amount of funding that was available in the reappropriations process in trustee/benefit payments be provided on an ongoing basis.</i>					
Governor's Recommendation	0.00	693,100	0	1,645,400	2,338,500
Ongoing Non-Cog Adjustments					
Agency Request	0.00	0	3,232,200	0	3,232,200
<i>The Governor recommends that funding that became available in FY 2006 be built into the FY 2007 Base.</i>					
Governor's Recommendation	0.00	0	3,232,200	0	3,232,200
Federal Match Rate Change					
Agency Request	0.00	(38,800)	0	38,800	0
<i>The Governor's recommendation reflects the departments request for an increase in the Federal Medical Assistance Program match rate from 70.088% to 70.105%.</i>					
Governor's Recommendation	0.00	(38,800)	0	38,800	0
Caseload Increase					
Agency Request	0.00	983,500	0	2,239,400	3,222,900
<i>The Governor's recommends funding the department's estimate of caseload increases that will require additional funding for provider payments.</i>					
Governor's Recommendation	0.00	983,500	0	2,239,400	3,222,900

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Utilization Increase					
Agency Request	0.00	1,064,000	0	2,544,800	3,608,800
<i>The Governor's recommends funding the department's estimate that utilization increases will require additional funding for provider payments.</i>					
Governor's Recommendation	0.00	1,064,000	0	2,544,800	3,608,800
FY 2007 Program Maintenance					
Agency Request	0.00	68,772,900	8,655,700	137,804,200	215,232,800
Governor's Recommendation	0.00	68,772,900	8,655,700	137,804,200	215,232,800

6. Medicaid Estate Recovery

The department estimates it can recover an additional \$500,000 from estates that owe money to the state by providing authority to foreclose on a lien directly rather than going through probate. Currently, the law allows families to exempt up to \$10,000 from an estate which owes money to Medicaid. This was designed to protect family heirlooms, not to retain cash. However, many family members are removing heirlooms, and also using the exemption to keep \$10,000 in cash. This proposal would amend Idaho Code to prevent cash payments to families before the state's claims are settled. This is estimated to impact 50 estates per year at \$10,000 per estate.

Agency Request	0.00	(150,000)	500,000	(350,000)	0
Governor's Recommendation	0.00	(150,000)	500,000	(350,000)	0

7. Managed Care Selective Contracting

This decision unit requests approval for Medicaid to selectively contract for services currently managed by department staff. By hiring a part-time employee to monitor brokered services, the department estimates it will have a net savings of \$508,100, of which \$126,200 is from the General Fund. The costs and savings are spread among the Medicaid Administration & Medical Management, Elderly, and Special Needs Programs. The department is proposing to contract for transportation services and durable medical equipment (DME). The transportation brokering would be phased in region-by-region, with likely implementation beginning in the Pocatello and Twin Falls areas. Selective contracting of durable medical equipment would occur statewide and it is estimated to save 2.5% in transportation and 28% in the cost of adult diapers. The department is requesting \$25,300 in personnel costs and .50 FTP; \$40,000 each for the two brokering contracts, and \$9,000 for staff expenses in operating expenditures; and \$2,600 for one-time capital outlay for office and computer equipment.

Agency Request	0.00	(147,800)	0	(352,200)	(500,000)
Governor's Recommendation	0.00	(147,800)	0	(352,200)	(500,000)

11. Medicaid Rx Drugs/Medicare Part D

Agency Request	0.00	0	0	0	0
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GOVERNOR'S INITIATIVE: Provides funding for the integration of Medicaid prescription drugs with Medicare - Part D. This will include capitation of Medicare-excluded prescription drugs and financing them through Medicare Advantage Drug Plans and Prescription Drug Plans for the population group eligible for both Medicare and Medicaid, or "dual eligibles." Integration will simplify the prescription drug delivery system and the coordination of benefits by creating a single source for all drug coverage for this population.

Governor's Recommendation	0.00	(1,220,700)	0	(2,779,300)	(4,000,000)
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Elders

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. Long-Term Care Counseling					
Agency Request	0.00	0	0	0	0
<i>Provides funding for al Long-Term Care Options Counseling Program. Long-Term Care Options Counseling will promote non-publicly financed long-term care arrangements such as reverse mortgages and commercial long-term care insurance. The department will partner with several agencies to establish resource centers in three Idaho communities. Aging Resource Centers will provide broader information on alternatives to Medicaid-financed long-term care services and serve as critical information and referral sites for end-of-life issues.</i>					
Governor's Recommendation	0.00	(183,100)	0	(416,900)	(600,000)
19. Pay for Performance					
Agency Request	0.00	0	0	0	0
<i>GOVERNOR'S INITIATIVE: Provides funding for new Pay for Performance Program. The Pay for Performance Program grants payments to providers structured to offer incentives for preventive care, key outcomes and chronic disease management. The key performance criteria will include immunizations, well child checks, management of chronic diseases, and best practices in delivery of mental health care. The outcome is a healthier population, resulting in a reduction of health care costs in the future.</i>					
Governor's Recommendation	0.00	72,000	0	168,000	240,000
20. Asset Transfer Restriction					
Agency Request	0.00	0	0	0	0
<i>GOVERNOR'S INITIATIVE: Provides savings associated with new Asset Transfer Restriction Policy. Three options will be sought to restrict the transfer of assets for benefits. These include 1) increase the look-back period from three to five years; 2) impose the penalty period at the time of application or the date of transfer, whichever is later; 3) the amount and types of funds that can be sheltered in an annuity, trust, or promissory not will be further limited. In addition, Idaho will implement safeguards to prevent individuals from disposing of funds for non-essential needs in order to become eligible for Medicaid long-term care coverage.</i>					
Governor's Recommendation	0.00	(21,000)	0	(49,000)	(70,000)
FY 2007 Total					
Agency Request	0.00	68,475,100	9,155,700	137,102,000	214,732,800
Governor's Recommendation	0.00	67,122,300	9,155,700	134,024,800	210,302,800
Agency Request					
Change from Original App	0.00	68,475,100	9,155,700	137,102,000	214,732,800
% Change from Original App					
Governor's Recommendation					
Change from Original App	0.00	67,122,300	9,155,700	134,024,800	210,302,800
% Change from Original App					

Individuals with Disabilities

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2006 Original Appropriation	0.00	0	0	0.00	0	0
Base Adjustments	0.00	146,708,200	519,714,800	0.00	145,126,600	519,714,800
Removal of One-Time Expenditures	0.00	(1,581,600)	(8,298,800)	0.00	0	(8,298,800)
FY 2007 Base	0.00	145,126,600	511,416,000	0.00	145,126,600	511,416,000
Annualization - Medicare Part D	0.00	5,158,900	(11,607,400)	0.00	5,158,900	(11,607,400)
Make Reappropriation Ongoing	0.00	1,559,400	5,261,400	0.00	1,559,400	5,261,400
Ongoing Non-Cog Adjustments	0.00	0	7,272,400	0.00	0	7,272,400
Federal Match Rate Change	0.00	(87,300)	0	0.00	(87,300)	0
Change Federal Match Rate	0.00	(1,400)	0	0.00	(1,400)	0
Caseload Increase	0.00	6,674,200	21,870,400	0.00	6,674,200	21,870,400
Utilization & Pricing Increases	0.00	6,927,700	22,995,100	0.00	6,927,700	22,995,100
FY 2007 Program Maintenance	0.00	165,358,100	557,207,900	0.00	165,358,100	557,207,900
7. Managed Care Selective Contracting	0.00	0	0	0.00	(61,500)	(205,000)
19. Pay for Performance	0.00	0	0	0.00	61,500	204,500
FY 2007 Total	0.00	165,358,100	557,207,900	0.00	165,358,100	557,207,400
Change from Original Appropriation	0.00	165,358,100	557,207,900	0.00	165,358,100	557,207,400
% Change from Original Appropriation						

Individuals with Disabilities

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	0.00	0	0	0	0
Base Adjustments					
Agency Request	0.00	146,708,200	36,870,600	336,136,000	519,714,800
<i>Transfer funding into a new program titled Special Needs which represents an allocation of trustee/benefit payments. All provider payments are appropriated in trustee/benefit payments. The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.</i>					
Governor's Recommendation	0.00	145,126,600	38,452,200	336,136,000	519,714,800
Removal of One-Time Expenditures					
Agency Request	0.00	(1,581,600)	(3,070,200)	(3,647,000)	(8,298,800)
<i>Removes funding provided for reappropriations and other one-time items.</i>					
Governor's Recommendation	0.00	0	(4,651,800)	(3,647,000)	(8,298,800)
FY 2007 Base					
Agency Request	0.00	145,126,600	33,800,400	332,489,000	511,416,000
Governor's Recommendation	0.00	145,126,600	33,800,400	332,489,000	511,416,000
Annualization - Medicare Part D					
Agency Request	0.00	5,158,900	(8,109,500)	(8,656,800)	(11,607,400)
<i>Under both the department's request and the Governor's recommendation the funding to fully implement Medicare Part D in FY 2007 is split between the State Plan for Elders, and the State Plan for Individuals with Disabilities.</i>					
Governor's Recommendation	0.00	5,158,900	(8,109,500)	(8,656,800)	(11,607,400)
Make Reappropriation Ongoing					
Agency Request	0.00	1,559,400	0	3,702,000	5,261,400
<i>The Governor's recommendation reflects the department's request that the same amount of funding that was available in the reappropriations process in trustee/benefit payments be provided on an ongoing basis.</i>					
Governor's Recommendation	0.00	1,559,400	0	3,702,000	5,261,400
Ongoing Non-Cog Adjustments					
Agency Request	0.00	0	7,272,400	0	7,272,400
<i>The Governor recommends that funding that became available in FY 2006 be built into the FY 2007 Base.</i>					
Governor's Recommendation	0.00	0	7,272,400	0	7,272,400
Federal Match Rate Change					
Agency Request	0.00	(87,300)	0	87,300	0
<i>The Governor's recommendation reflects the departments request for an increase in the Federal Medical Assistance Program match rate from 70.088% to 70.105%.</i>					
Governor's Recommendation	0.00	(87,300)	0	87,300	0
Change Federal Match Rate					
Agency Request	0.00	(1,400)	0	1,400	0
<i>Provides for an increase in the Federal Medical Assistance Program match rate from 79.063% to 79.073%.</i>					
Governor's Recommendation	0.00	(1,400)	0	1,400	0

Individuals with Disabilities

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Caseload Increase

Agency Request	0.00	6,674,200	0	15,196,200	21,870,400
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The Governor's recommends funding the department's estimate of caseload increases that will require additional funding for provider payments.

Governor's Recommendation	0.00	6,674,200	0	15,196,200	21,870,400
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Utilization & Pricing Increases

Agency Request	0.00	6,927,700	0	16,067,400	22,995,100
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The Governor's recommends funding the department's estimate that utilization and mandatory pricing increases will require additional funding for provider payments.

Governor's Recommendation	0.00	6,927,700	0	16,067,400	22,995,100
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FY 2007 Program Maintenance

Agency Request	0.00	165,358,100	32,963,300	358,886,500	557,207,900
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Governor's Recommendation	0.00	165,358,100	32,963,300	358,886,500	557,207,900
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7. Managed Care Selective Contracting

Agency Request	0.00	0	0	0	0
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This decision unit requests approval for Medicaid to selectively contract for services currently managed by department staff. By hiring a part-time employee to monitor brokered services, the department estimates it will have a net savings of \$508,100, of which \$126,200 is from the General Fund. The costs and savings are spread among the Medicaid Administration & Medical Management, Elderly, and Special Needs Programs. The department is proposing to contract for transportation services and durable medical equipment (DME). The transportation brokering would be phased in region-by-region, with likely implementation beginning in the Pocatello and Twin Falls areas. Selective contracting of durable medical equipment would occur statewide and it is estimated to save 2.5% in transportation and 28% in the cost of adult diapers. The department is requesting \$25,300 in personnel costs and .50 FTP; \$40,000 each for the two brokering contracts, and \$9,000 for staff expenses in operating expenditures; and \$2,600 for one-time capital outlay for office and computer equipment.

Governor's Recommendation	0.00	(61,500)	0	(143,500)	(205,000)
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19. Pay for Performance

Agency Request	0.00	0	0	0	0
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GOVERNOR'S INITIATIVE: Provides funding for new Pay for Performance Program. The Pay for Performance Program grants payments to providers structured to offer incentives for preventive care, key outcomes and chronic disease management. The key performance criteria will include immunizations, well child checks, management of chronic diseases, and best practices in delivery of mental health care. The outcome is a healthier population, resulting in a reduction of health care costs in the future.

Governor's Recommendation	0.00	61,500	0	143,000	204,500
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FY 2007 Total

Agency Request	0.00	165,358,100	32,963,300	358,886,500	557,207,900
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Governor's Recommendation	0.00	165,358,100	32,963,300	358,886,000	557,207,400
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Agency Request

Change from Original App	0.00	165,358,100	32,963,300	358,886,500	557,207,900
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% Change from Original App					
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Governor's Recommendation

Change from Original App	0.00	165,358,100	32,963,300	358,886,000	557,207,400
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% Change from Original App					
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Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2006 Original Appropriation	0.00	0	0	0.00	0	0
Base Adjustments	0.00	115,503,200	408,831,900	0.00	114,275,300	408,831,900
Removal of One-Time Expenditures	0.00	(1,227,900)	(6,454,600)	0.00	0	(6,454,600)
FY 2007 Base	0.00	114,275,300	402,377,300	0.00	114,275,300	402,377,300
Make Reappropriation Ongoing	0.00	1,212,900	4,092,200	0.00	1,212,900	4,092,200
Ongoing Non-Cog Adjustments	0.00	0	5,656,300	0.00	0	5,656,300
Federal Match Rate Change	0.00	(67,900)	0	0.00	(67,900)	0
Federal Match Rate Change	0.00	(1,000)	0	0.00	(1,000)	0
Caseload Increase	0.00	3,708,700	12,152,900	0.00	3,708,700	12,152,900
Utilization & Pricing Increases	0.00	9,253,900	30,552,200	0.00	9,253,900	30,552,200
FY 2007 Program Maintenance	0.00	128,381,900	454,830,900	0.00	128,381,900	454,830,900
3. CHIP-Elimination of Asset Criteria	0.00	0	2,540,100	0.00	0	2,540,100
4. CHIP-Remove "Uninsured" Rqrmnt	0.00	0	1,814,400	0.00	0	1,814,400
7. Medicaid Selective Contracting	0.00	(36,900)	(125,000)	0.00	(36,900)	(125,000)
8. Prevention Services/Risk Assessment	0.00	0	0	0.00	2,034,100	9,046,100
15. Cost Sharing	0.00	0	0	0.00	(528,100)	0
16. Healthy Schools/Healthy Daycares	0.00	0	0	0.00	100,000	400,000
17. Appropriate Benefits for Healthy People	0.00	0	0	0.00	(3,000,000)	(13,000,000)
18. Premium Assistance Option	0.00	0	0	0.00	(135,000)	(450,000)
19. Pay for Performance	0.00	0	0	0.00	450,000	1,500,000
FY 2007 Total	0.00	128,345,000	459,060,400	0.00	127,266,000	456,556,500
Change from Original Appropriation	0.00	128,345,000	459,060,400	0.00	127,266,000	456,556,500
% Change from Original Appropriation						

Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	0.00	0	0	0	0
Base Adjustments					
Agency Request	0.00	115,503,200	28,117,300	265,211,400	408,831,900
<i>Transfer funding into a new program titled Healthy Children and Working Adults which represents an allocation of trustee/benefit payments. All provider payments are appropriated in trustee/benefit payments. The Governor's recommendation reflects the General Fund portion of the reappropriation from the Cooperative Welfare Fund as dedicated funds.</i>					
Governor's Recommendation	0.00	114,275,300	29,345,200	265,211,400	408,831,900
Removal of One-Time Expenditures					
Agency Request	0.00	(1,227,900)	(2,383,500)	(2,843,200)	(6,454,600)
<i>Removes funding provided for reappropriations and other one-time items.</i>					
Governor's Recommendation	0.00	0	(3,611,400)	(2,843,200)	(6,454,600)
FY 2007 Base					
Agency Request	0.00	114,275,300	25,733,800	262,368,200	402,377,300
Governor's Recommendation	0.00	114,275,300	25,733,800	262,368,200	402,377,300
Make Reappropriation Ongoing					
Agency Request	0.00	1,212,900	0	2,879,300	4,092,200
<i>The Governor's recommendation reflects the department's request that the same amount of funding that was available in the reappropriations process in trustee/benefit payments be provided on an ongoing basis.</i>					
Governor's Recommendation	0.00	1,212,900	0	2,879,300	4,092,200
Ongoing Non-Cog Adjustments					
Agency Request	0.00	0	5,656,300	0	5,656,300
<i>The Governor recommends that funding that became available in FY 2006 be built into the FY 2007 Base.</i>					
Governor's Recommendation	0.00	0	5,656,300	0	5,656,300
Federal Match Rate Change					
Agency Request	0.00	(67,900)	0	67,900	0
<i>Provides for an increase in the Federal Medical Assistance Program match rate from 70.088% to 70.105%.</i>					
Governor's Recommendation	0.00	(67,900)	0	67,900	0
Federal Match Rate Change					
Agency Request	0.00	(1,000)	0	1,000	0
<i>Provides for an increase in the Federal Medical Assistance Program match rate from 79.063% to 79.073%.</i>					
Governor's Recommendation	0.00	(1,000)	0	1,000	0
Caseload Increase					
Agency Request	0.00	3,708,700	0	8,444,200	12,152,900
<i>The Governor's recommends funding the department's estimate of caseload increases that will require additional funding for provider payments.</i>					
Governor's Recommendation	0.00	3,708,700	0	8,444,200	12,152,900

Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Utilization & Pricing Increases					
Agency Request	0.00	9,253,900	0	21,298,300	30,552,200
<i>The Governor's recommends funding the department's estimate that utilization and mandatory pricing increases will require additional funding for provider payments.</i>					
Governor's Recommendation	0.00	9,253,900	0	21,298,300	30,552,200
FY 2007 Program Maintenance					
Agency Request	0.00	128,381,900	31,390,100	295,058,900	454,830,900
Governor's Recommendation	0.00	128,381,900	31,390,100	295,058,900	454,830,900

3. CHIP-Elimination of Asset Criteria

Enrollment in the CHIP B Access Card program has been low. One of the chief reasons is the restriction that families can only have assets of \$5,000 beyond their house, a car, and retirement funds. This eliminates many families from coverage even though their income is well within the limits set for this program. Lifting the asset limit will create more opportunity for low income families to insure their children. The department is estimating that an additional 1,800 children will be served with family incomes up to 185% of federal poverty guidelines. Funding is requested in trustee/benefit payments using funds from the Idaho Health Care Access Card Fund as a match for federal funds.

Agency Request	0.00	0	777,900	1,762,200	2,540,100
Governor's Recommendation	0.00	0	777,900	1,762,200	2,540,100

4. CHIP-Remove "Uninsured" Rqrmnt

This decision unit provides funding to extend health coverage to children in low income families who currently have health insurance. This is to encourage families who cannot continue to afford their premiums and intend to drop their coverage to become eligible for health care for their children through the CHIP B or Access Card. This does require a rule change subject to legislative approval. The CHIP B program requires families to pay \$15 each month per child, and the Access Card provides premium assistance of up to \$100 per child for a family total of \$300 per month. The department is expecting to cover an additional 2,100 children at a per month cost of \$72 per child for 12 months for a total of \$1,814,400. Dedicated funding is requested from the Idaho Health Insurance Access Card Fund to match the anticipated federal match.

Agency Request	0.00	0	553,700	1,260,700	1,814,400
Governor's Recommendation	0.00	0	553,700	1,260,700	1,814,400

7. Medicaid Selective Contracting

This decision unit requests approval for Medicaid to selectively contract for services currently managed by department staff. By hiring a part-time employee to monitor brokered services, the department estimates it will have a net savings of \$508,100, of which \$126,200 is from the General Fund. The costs and savings are spread among the Medicaid Administration & Medical Management, Elderly, and Special Needs Programs. The department is proposing to contract for transportation services and durable medical equipment (DME). The transportation brokering would be phased in region-by-region, with likely implementation beginning in the Pocatello and Twin Falls areas. Selective contracting of durable medical equipment would occur statewide and it is estimated to save 2.5% in transportation and 28% in the cost of adult diapers. The department is requesting \$25,300 in personnel costs and .50 FTP; \$40,000 each for the two brokering contracts, and \$9,000 for staff expenses in operating expenditures; and \$2,600 for one-time capital outlay for office and computer equipment.

Agency Request	0.00	(36,900)	0	(88,100)	(125,000)
Governor's Recommendation	0.00	(36,900)	0	(88,100)	(125,000)

Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Prevention Services/Risk Assessment					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides funding for increased preventative health services. For the low-income children and working adults, an emphasis will be placed on prevention and wellness. This will include reproductive health and neonatal services. In addition, Idaho will implement a pilot benefit program that will support health behaviors through the establishment of Personal Health Records and personal Health Accounts. Personal Health Accounts for these enrollees will give individuals the freedom to purchase goods and services that will facilitate active and healthy lifestyles. This emphasis on prevention will result in better health outcomes for beneficiaries as well as long-term cost savings.					
Governor's Recommendation	0.00	2,034,100	0	7,012,000	9,046,100
15. Cost Sharing					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides funding for administrative costs to implement a new cost-sharing program. A new, realistic and enforceable cost-sharing plan will be implemented to increase the responsibility of Medicaid beneficiaries for the cost of their health care, and to encourage cost-effective care in the most appropriate setting. Cost-sharing may include establishing co-payments for certain services, such as inappropriate emergency room use, inappropriate emergency transportation, non-preferred drugs and missed appointments with health care providers. Cost-sharing will also include monthly premium payments for participants with family incomes above 133% of the federal poverty level.					
Governor's Recommendation	0.00	(528,100)	1,760,400	(1,232,300)	0
16. Healthy Schools/Healthy Daycares					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides funding for the Healthy Schools/Healthy Daycares Program. This program provides an opportunity to promote wellness and preventive health services for children in after-school programs and daycare. In Healthy Schools, examples of after-school activities will include nutrition services and promoting physical education activities. Healthy Daycares will have the opportunity to deliver basic preventive health measures for Medicaid-eligible children in participating facilities. This is an alternative to the current financing of mental health services that has an inappropriate service utilization due to Medicaid families' need for daycare financing assistance.					
Governor's Recommendation	0.00	100,000	0	300,000	400,000
17. Appropriate Benefits for Healthy People					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides savings associated with new Appropriate Benefits for Health Population Program. The program will design a benefit package based on the needs of the beneficiaries for children and adults who have an average health condition. Current benefits for this population include a degree of service coverage that is not appropriate for enrollees with average health. Changes to the benefit plan will have a preventative focus while managing expenditures more efficiently.					
Governor's Recommendation	0.00	(3,000,000)	0	(10,000,000)	(13,000,000)
18. Premium Assistance Option					
Agency Request	0.00	0	0	0	0
GOVERNOR'S INITIATIVE: Provides savings associated with new Premium Assistance Option. Premium assistance will be expanded to allow individuals a choice to participate in the State Premium Assistance Programs, Access to Health Insurance and Access Card. Currently, individuals eligible for Title XIX coverage must receive direct Medicaid coverage, and cannot elect premium assistance.					
Governor's Recommendation	0.00	(135,000)	0	(315,000)	(450,000)

Low-Income Children & Working-Age Adults

Analyst: Holland-Smith

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
19. Pay for Performance					
Agency Request	0.00	0	0	0	0
<i>GOVERNOR'S INITIATIVE: Provides funding for new Pay for Performance Program. The Pay for Performance Program grants payments to providers structured to offer incentives for preventive care, key outcomes and chronic disease management. The key performance criteria will include immunizations, well-child checks, management of chronic diseases, and best practices in delivery of mental health care. The outcome is a healthier population, resulting in a reduction of health care costs in the future.</i>					
Governor's Recommendation	0.00	450,000	0	1,050,000	1,500,000
FY 2007 Total					
Agency Request	0.00	128,345,000	32,721,700	297,993,700	459,060,400
Governor's Recommendation	0.00	127,266,000	34,482,100	294,808,400	456,556,500
Agency Request					
Change from Original App	0.00	128,345,000	32,721,700	297,993,700	459,060,400
% Change from Original App					
Governor's Recommendation					
Change from Original App	0.00	127,266,000	34,482,100	294,808,400	456,556,500
% Change from Original App					